

This is why House and Senate Democrats announced earlier this year that we would address the subprime mortgage and foreclosure crisis comprehensively. I am pleased to say Democrats and Republicans have joined to work diligently toward that goal. Tomorrow, we bring the product of that hard work to the floor of the Senate.

This modernization bill is one of several ways we plan to assist deserving families not with a handout or a bailout but with education and assistance to help them weather this storm.

UNANIMOUS CONSENT AGREEMENT—H.R. 4156

Mr. REID. Madam President, I ask unanimous consent that when the Senate begins the rule XIV procedure with respect to the House bridge bill regarding funding for Iraq and Afghanistan, that it be considered as having been initiated on Wednesday, November 14.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DURBIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CASEY). Without objection, it is so ordered.

MORNING BUSINESS

Mr. DURBIN. I ask unanimous consent to go into morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

VETERANS LEGISLATION

Mr. AKAKA. Mr. President, last Thursday, November 8, 2007, the assistant majority leader, Senator DURBIN, propounded unanimous consent agreements on two bills reported by the Veterans' Affairs Committee—S. 1233, the proposed "Veterans Traumatic Brain Injury and Other Health Programs Improvement Act of 2007" and S. 1315, the proposed "Veterans Benefits Enhancement Act of 2007."

Both proposed agreements called for the bills to be considered "at any time determined by the majority leader, following consultation with the Republican leader" and also provided that the only amendments that would be in order would be "first-degree amendments that are relevant to subject matter of the bill." In other words, the request was for the Senate to take up these two bills, ordered reported by the committee in late June and reported in August, at some future time with the only exclusion being that no nonrelevant amendments would be in order.

It is hard to think of a more modest request for action on legislation. Un-

fortunately, my friend and colleague, the former chairman and ranking member of the committee, Senator CRAIG, objected to both unanimous consent agreements.

In explaining his objection, Senator CRAIG expressed the view that some provisions in the two bills are "controversial enough to merit considerable floor debate." Whether I agree with that characterization of the provisions, I would not seek to keep Senator CRAIG or any other Senator from debating the two bills. As I just noted, that was precisely what the unanimous consent called for—debate, at a mutually agreed upon time, with the only limitation being that any amendment had to be relevant. Judging by the concerns Senator CRAIG discussed in his explanation of his objection to the unanimous consent agreement, his amendments would, indeed, be relevant.

I was patient while our colleagues on the other side of the aisle dealt with the upheaval that followed the unanticipated change in the minority leadership on the committee. I recognized that they needed time to reorganize and for Senator BURR to move into his new role as the committee's ranking member. However, that change in the ranking member's position occurred over 2 months ago. It is time to bring these bills to the floor, time to engage in a full and open debate, time to vote on any amendments, and time to allow the Senate to have its say on the bills.

In his objection, Senator CRAIG spoke of the committee's history of working in a bipartisan fashion to resolve differences at the committee level. He is certainly correct that our committee rarely brings measures to the floor for debate. However, I do not understand that history to mean that any and all differences of opinion on legislation are resolved before we seek Senate action. Rather, it is my understanding that the committee's bipartisan practice means that we seek to negotiate so as to reach agreed-upon positions on legislation after legislative hearings and before committee markups. When we are unable to reach agreement, there is an opportunity for amendments to be offered during markups. After a markup, our traditional practice has been to move forward from a committee markup without further debate on the floor.

That approach is exactly what happened in 2005, when Senator CRAIG was chairman of the committee. He and I had negotiated on a variety of legislative initiatives up to the markup but could not reach agreement on a number of matters. At the markup, I offered amendments—five or six is my memory—on a number of the issues about which I had strong feelings. I did not, however, continue to pursue those matters on the floor. And I most assuredly did not do anything to block Senate consideration of the legislation that I had sought to amend. In fact, as ranking member, I worked with then-Chairman CRAIG to gain passage of the legislation by unanimous consent.

While I would certainly appreciate similar cooperation with respect to S. 1233 and S. 1315, I realize that Senator CRAIG and others may wish to continue to pursue amendments during debate before the full Senate, and I am prepared to support that result. All that is needed for that to happen is for agreement to be reached to begin that debate, as set forth in the unanimous consent agreement put forward by Senator DURBIN last week.

I do not know why others on the other side of the aisle are blocking this debate. I urge them to reconsider and to agree to allow the debate to go forward. Our committee should finish our work. America's veterans deserve no less.

MORTGAGE CANCELLATION RELIEF ACT

Mr. HATCH. Mr. President, I rise to speak concerning the Mortgage Cancellation Relief Act, S. 1394. In previous Congresses, I have introduced this legislation to provide immediate tax relief to homeowners adversely impacted by the recent downturn in the Nation's housing markets.

However, this Congress, I am pleased to join my friend and colleague from Michigan, Senator DEBBIE STABENOW, as a cosponsor of S. 1394. She was on the floor earlier this morning, and she had the opportunity to address this bill. I want to thank her for her continued interest in this issue.

I agree with her that it is well past time for Congress to act on this legislation.

There are a number of positive things I can say about S. 1394. It is a bipartisan bill. It is sound tax policy. It is good economic policy. And it treats those who have been impacted by housing declines fairly in their time of need.

As I mentioned, Senator STABENOW introduced this bill in May.

The President recommended a similar proposal in August.

However, the one not-so-positive thing I can say is that it is not law.

We are now into November. And despite all of the positive aspects of S. 1394, it has still not been reported by the Finance Committee or debated on the Senate floor.

The problem addressed by this legislation has its roots in the housing market.

In September, overall home sales slid 8 percent from the month before. Single-family sales slowed to the lowest pace in nearly 10 years.

Inventory is going up. At the end of August, there was a 9.6-month supply of homes. At the end of September, there was a 10.5-month supply of homes on the market.

So supply is up, and demand is down.

A high school senior, barely paying attention in his economics class, could tell you the result.

The result is a buyer's market. The median home price is down 4.2 percent from the year before.

With the dip in the housing market has come a corollary decrease in new home construction.

According to one recent estimate, construction spending on all new homes fell by 22 percent in 2007. The decline was even greater for single family homes—25 percent.

With another 4 percent dip in 2008, residential construction spending will be down to \$254 billion in 2008 from \$384 billion in 2005.

While this is not good news for the Nation's builders, at least it tells us that the U.S. housing market is functioning rationally. As the supply of housing tightens, demand and prices will once again go up. This leads many economists to believe that housing markets will turn the corner sooner rather than later.

In the meantime, however, we have a deadly economic mix of declining housing prices, interest rate volatility, and adjustable rate mortgages that are beginning to reset. When this convergence of events takes place and is followed by a certain unnecessarily punitive and totally unfair provision in our Tax Code, life becomes even more burdensome for some of our most vulnerable families and communities.

Let me explain why.

Adjustable rate mortgages are a product that provides an opportunity for millions of families to achieve home ownership. Because they pose less risk to lenders, these mortgages can be a more affordable product that allows families to purchase homes while assuming the risk that interest rates will increase.

Yet because of the easy availability of adjustable rate mortgages, some people took out very high mortgages and according to the Wall Street Journal, there are 17 percent adjustable rate mortgage holders who cannot make their payments on time.

We are currently witnessing how well private industry will be able to handle this problem on its own. The Nation's largest mortgage lender, Countrywide Financial, announced that it is modifying the terms of \$16 billion in adjustable rate mortgages. Thirty thousand have already restructured their loans, and Countrywide intends to contact 52,000 borrowers to see if they would like to restructure their loans as well.

Still, the declines in the Nation's housing markets have left two groups particularly vulnerable.

First, there are those who sell their homes for less than the outstanding amount of the mortgage.

Second, there are those who are unable to make their mortgage payments and suffer foreclosure.

As I mentioned earlier, the Tax Code effectively kicks these folks while they are down.

The Internal Revenue Code defines income very broadly.

And when lenders forgive mortgage debt in a short-sale or a foreclosure, the borrower has technically received taxable income. Yet this is phantom

income, and it makes little sense to have these financially vulnerable families getting a form 1099 and an increased tax liability for income they never received.

This makes little sense as public policy. And it is inequitable as tax policy.

Section 121 of the Internal Revenue Code allows the exclusion of up to \$250,000—or \$500,000 on a joint return—of gain on the sale of a home. Few people realize gains in excess of this statutory exclusion. And for those who do, those gains are taxed at lower capital gains rates.

Yet if a family is in such a dire financial situation that it is losing its home or selling it at a loss, the phantom gain on these transactions is taxed at ordinary income rates.

With adjustable rate mortgages being reset, growing housing inventory, and declining housing prices, too many people will be getting a 1099 form in the mail telling them that they owe income taxes on this debt forgiveness.

This is not the way it ought to be.

Our legislation would remedy this problem by excluding this debt forgiveness from gross income.

There is precedent for this. Congress provided similar relief in the wake of Hurricane Katrina.

Given the ramifications of housing market declines, we should extend this needed relief to all Americans who find themselves receiving this kind of phantom income.

Yes, we would forgo some tax revenue by making this simple, fair, and commonsense change to our tax laws, but the House has found a reasonable offset that is supported by the housing industry so the net effect to the Federal budget should be zero.

As I stated earlier, it is time to act. I am not sure what the delay is.

The drop in the housing market and the problems with adjustable rate mortgages are no longer breaking news. It has been nearly 6 months since this bipartisan legislation was introduced. It has been over 2 months since the President indicated he supported this legislation and wanted to get it signed into law.

This Congress seems to have ground to a halt.

You can hear crickets chirping on the Senate floor lately. To say we are too busy to address this important legislation is simply false.

The lack of quick action on this legislation is no longer acceptable.

I urge my colleagues to support S. 1394 and for the Senate to pass this legislation as soon as possible. Families in need and vulnerable communities demand that we act.

MOTORCOACH ENHANCED SAFETY ACT

Mr. BROWN. Mr. President, on March 1, 2007, the Bluffton University baseball team left Ohio for a tournament in Florida.

Early the next morning on Interstate 75 in Atlanta, their trip came to a trag-

ic halt when their motorcoach, attempting to exit the highway, fell off an overpass and landed on its side on the road below.

The crash resulted in the deaths of five members of the baseball team: Tyler Williams, Cody Holp, Scott Harmon, Zack Arend, David Joseph Betts. The driver, Jerome Niemeyer, and his wife Jean were also killed in the crash. Many of the other 33 passengers were treated for injuries.

For John Betts, who lost his son David in the crash, it was important to take the accident and make it into something positive, in honor of his son and the other bright, talented young men who died that morning. Motorcoach safety became his crusade.

Mr. Betts has been interviewed by the media, local and national, bringing to light the need for stronger motorcoach safety regulations.

He has called for seatbelts for all passengers as well as other regulations that lower the risk of injury or fatality in accidents.

Mr. Betts sees upgrading the safety laws for motorcoaches as an opportunity to save the lives of future riders.

More importantly, he sees it as a way to memorialize David and his teammates and, as he puts it, to make the world they lived in better than it was when they left it.

Sadly, the Bluffton University baseball team's fatal accident was not unique. We have witnessed story after story about motorcoach accidents.

While the investigation into the cause of the crash is ongoing, one thing is clear—stronger safety regulations could have minimized the fatalities resulting from this crash.

The Motorcoach Safety Enhancement Act, which I introduced today along with Senator HUTCHISON, would address the shortfall in safety regulations for motorcoaches.

Many of the injuries sustained in motorcoaches could be prevented by incorporating high-quality safety technologies that exist today but are not widely used, such as crush-proof roofing and glazed windows to prevent ejection.

More basic safety features, such as readily accessible fire extinguishers and seatbelts for all passengers, are still not required on motorcoaches.

As a father of four, I find it particularly disturbing to know students are still riding in vehicles without even the option of buckling up.

I applaud Mr. Betts and the other Bluffton parents for their courageous fight in the midst of so much personal pain.

Seatbelts, window glazing, fire extinguishers—these are not new technologies. These are commonsense safety features that are widely used.

And they are features that the National Transportation Safety Board recommends be enacted into law. Yet they have been languishing for years.

The Motorcoach Safety Enhancement Act would instruct the Secretary of